

ASSURANCE OF VOLUNTARY COMPLIANCE

In the matter of

**COMMUNITY SAFETY, LLC;
PUBLIC SAFETY COUNCIL, LLP; and
SAFETY SERVICES, LLC;**

Respondents.

The undersigned state and agree as follows:

1. The State of Iowa ex rel. Thomas J. Miller, Iowa Attorney General, enters into this Assurance of Voluntary Compliance ("Assurance" or "AVC") with each of the above-named Respondents to resolve the Attorney General's concerns with Respondents' compliance with Iowa Code §714.16 (2009), the Iowa Consumer Fraud Act ("CFA"), in connection with the solicitation of donations in Iowa.
2. Respondent Community Safety, LLC ("Community Safety") is a Minnesota limited liability company, of which J. Michael Callan and Robert T. Callan are officers.
3. Respondent Public Safety Council, LLP ("Public Safety") is a Minnesota limited liability partnership, of which J. Michael Callan and Robert T. Callan are officers.
4. Respondent Safety Services, LLC ("Safety Services") is a Minnesota limited liability company, of which J. Michael Callan and Robert T. Callan are officers.
5. Respondents deny wrongdoing or liability of any kind, but have agreed to enter into this Assurance in order to resolve the dispute with the Attorney General regarding the solicitation of donations in Iowa. Respondents enter into this Assurance solely for the purpose of settlement and nothing contained herein constitutes an admission of any liability or wrongdoing.
6. This Assurance constitutes a full and final resolution of any and all claims by the Iowa Attorney General against Respondents for violations of the CFA that occurred prior to the

effective date of this AVC in connection with the solicitation of donations in Iowa.

IT IS THEREFORE AGREED that Respondents shall refrain from engaging, directly or indirectly, singly or in combination, in the practices described in the lettered paragraphs below in connection with the solicitation of contributions for charitable purposes, either directed to Iowa residents or from an Iowa location.

For purposes of this Assurance:

"Consumer" includes each person who is contacted by a representative of a Respondent and is solicited to provide material support to a donee organization by donating funds, becoming a sponsor, buying advertising, making a purchase, or otherwise; *"consumer"* includes any person from whom such support is solicited, whether or not the person in fact provides any support.

"Donee organization" means any entity for which a Respondent engages in fundraising.

"Fundraising" means any and all forms of soliciting donations and/or raising funds for a donee organization, pursuant to an arrangement that provides *inter alia* for how the proceeds of fundraising are to be divided between a Respondent and the donee organization; *"fundraising"* includes without limitation the sale of advertising, sponsorships, event tickets, or other merchandise in connection with supporting a donee organization. *"Fundraiser"* means one who engages in fundraising.

"Merchandise" has the meaning set forth at Iowa Code § 714.16(1)(i).

"TSR" stands for Telephone Sales Representative, and includes each person who acts for a Respondent, whether as an employee, as an independent contractor, or as an employee of an independent contractor, in using the telephone to raise funds through direct contact with Iowa residents (including businesses).

A. Stating or implying that a TSR is a member of, an employee of, or a volunteer for a donee organization, or is otherwise associated with such organization in any manner other than as a professional fundraiser or a representative of a professional fundraiser.

B. Failing in the course of a fundraising contact, prior to any description of the cause for which funds are being raised, any description of the donee organization, or any actual solicitation, to state clearly: the full legal name of the company or business acting as the

professional fundraiser; the fact that such entity is a professional fundraiser; and that the purpose of the contact is to make a fundraising request. Without limiting the foregoing, it is a violation of this paragraph to substitute a dba for the full name of the company or partnership, if such substitution promotes uncertainty or confusion about the fact that the caller is a representative of a for-profit professional fundraising company.

C. Failing to establish procedures, policies and practices reasonably designed to ensure that a TSR responding to a consumer's question about the percentage or proportion of donations that are ultimately provided for the use of the donee organization, and/or the percentage or proportion of donations that are directed to the entity engaged in professional fundraising, provides an accurate and informative response and does not claim a lack of knowledge or refer the consumer to a website or other potential source of information. To the extent that the division of donated sums is contingent and cannot reasonably be ascertained at the time, a proper response shall be based on the division from the previous year, accompanied by an explanation of that fact, or, if a record of fundraising for the organization from the previous year does not exist or would be misleading, a proper response shall be based on a reasonable, good faith projection, informed by the Respondent's fundraising experience with comparable organizations. Without limiting the foregoing and in addition thereto, an express or implied representation by a TSR: that a donor's check or donation will be sent directly to the donee organization or that the donee organization controls the funds; or, in response to a consumer's question about the percentage or proportion of donations ultimately provided for the use of the donee organization or used for the charitable purpose, that a substantial portion of a donation will go to the donee organization or the charitable purpose in question when in fact less than 50% of donated funds go to such entity

or purpose after the fundraiser has received its share; is misleading and is prohibited unless immediately accompanied by such additional explanation of the actual distribution of donated funds as is necessary to state clearly how the funds are divided.

D. Stating or implying that a TSR is calling from some location other than the location from which the TSR in fact is calling.

E. Stating or implying that a donation will provide more of a benefit to the consumer's own community, region, or state than is in fact the case.

F. Stating or implying that a consumer will be contacted less often than, or not as soon as, applicable policies and/or practices actually provide for.

G. Making any false or misleading representation, express or implied, of a material fact in the course of fundraising.

H. Providing to TSRs, or any employee who directly supervises TSRs, any form of performance bonus, such as a pay boost, periodic bonus, or other financial incentive, based on the number of donations or dollar volume of donations pledged, or the number or dollar volume of donations received, unless the provision of such performance bonus is also expressly contingent on compliance by the TSR or supervisor receiving the bonus with the requirements of this Assurance, company policies, procedures and practices established pursuant to this Assurance, and the laws of Iowa.

I. Failing to provide to the office of the Iowa Attorney General, within five business days of receipt of a written (including faxed or e-mailed) request from that office, a list of TSRs (including last known addresses and phone numbers, and beginning and ending dates of employment) (i) who are then employed by a Respondent or who were so employed at any time

in the sixty (60) days preceding receipt of the request; and (ii) whose employment involved making one or more contacts of Iowa residents for the purpose of soliciting donations or other payments.

J. Failing to establish procedures, policies and practices reasonably designed to ensure that, to the extent fundraising calls are being made to residents of Iowa: (i) a sufficient number of telephone calls made to Iowa residents are recorded to result in the creation on a weekly basis of at least ten (10) recordings that involve a presentation to a consumer and are at least sixty (60) seconds in length; (ii) such recordings are clearly audible; and (iii) such recordings are preserved intact for at least ninety (90) days. Such recording shall be conducted in such a manner that no representative whose calls are or may be recorded has any information bearing on which calls are being recorded and which are not.

K. Failing to provide to the office of the Iowa Attorney General, within five business days of receipt of a written (including faxed or e-mailed) request from that office, such copies of recordings of telephone solicitations directed to one or more Iowa residents as the Attorney General may reasonably request.

L. Failing within thirty (30) days of entry of the execution of this Assurance to implement hiring, training, supervision, monitoring, compensation, and subcontracting policies and practices reasonably designed to ensure that employees, subcontractors, and other agents under the control or supervision of a Respondent are in full compliance with this Assurance.

IT IS FURTHER AGREED that Respondents pay to the State of Iowa, in the manner the Attorney General directs, the amount of \$30,000.00, to be deposited into the fund created by Iowa Code § 714.16C (2009).

IT IS FURTHER AGREED that, without otherwise limiting the Attorney General's enforcement options, a violation of this AVC by a Respondent or any other entity subject to this AVC is deemed a violation of the CFA for purposes of enforcement by the Attorney General, and that in any resultant enforcement action in which one or more violations of this AVC are established by the Attorney General by a preponderance of the evidence, and in which such violation(s) are not shown by the Respondent(s) or other entity(ies) in question to have been inadvertent and isolated and to have occurred in spite of efforts reasonably designed to prevent such violations, each such violation shall presumptively give rise to the highest civil penalty provided under the CFA (\$40,000.00), in addition to other remedies provided by law.

IT IS FURTHER AGREED that all the terms and provisions of this AVC shall have equal application to any other entity that may be a successor, assignee or transferee of one or more Respondents and/or to any other entity of which J. Michael Callan or Robert T. Callan or any other current officer or owner of a Respondent shall be an officer or full or part owner.

The Undersigned hereby consent to the form and contents of the foregoing Assurance of Voluntary Compliance, which is to take effect immediately upon execution by all signatories indicated below.

Date:

12/6/10


For Community Safety, LLC

President

Date:

12-6-10


For Public Safety Council, LLP

President

Date:

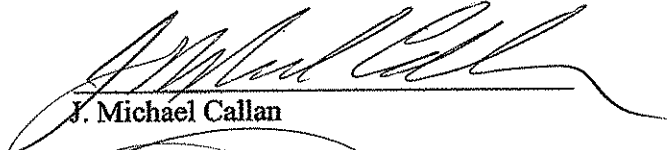
12-6-10


For Safety Services, LLC

President

J. Michael Callan and Robert T. Callan are signing in their individual capacities with respect to this agreement solely for the purposes of agreeing in their personal capacities that all the terms and provisions of this AVC shall have equal application to any other entity that may be a successor, assignee or transferee of one or more Respondents and/or to any other entity of which J. Michael Callan or Robert T. Callan or any other current officer or owner of a Respondent shall be an officer or full or part owner.

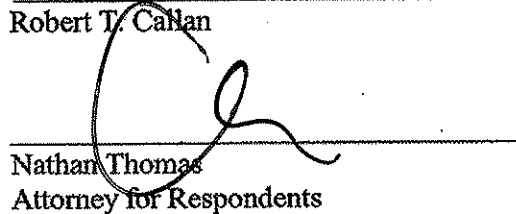
Date: 12/6/10


J. Michael Callan

Date: 12-6-10



Robert T. Callan

Date: 12/6/10


Nathan Thomas
Attorney for Respondents

IOWA ATTORNEY GENERAL:

Date: 12-8-10


By Steve St. Clair
Assistant Iowa Attorney General